

TOPIC 7: TERMINATING EMPLOYEES

The purpose of this topic is to present the procedures for terminating an employee in the SAM II HR/Payroll System. Terminations happen when an employee leaves their current position. Reasons for terminations include resignation, retirement, dismissal, or the death of an employee. The terminating agency may need to complete two Employment Status Maintenance (ESMT) transactions to complete the termination process. In addition, other steps will be necessary to complete the recording of time and leave during the last active pay period, to pay off leave, and to terminate benefits and deductions.

At the end of this topic, you will be able to:

- Explain the processes involved in the termination of an employee.
- Complete the process to terminate an employee without a break in service or with a break in service during one pay period.
- Complete the process to terminate an employee with a break in service of a later pay period.



PROCESS CHART FOR TERMINATING EMPLOYEES WHO ARE LEAVING STATE SERVICE ENTIRELY AND EMPLOYEES WHO ARE BEING REHIRED IN A LATER PAY PERIOD

PROCESS an ESMT
with EMPLOYMENT STATUS
of INTERIM INACTIVE (2), using an
EFFECTIVE DATE of the first day the
Employee is not working for agency.

Note: Employment Status
becomes Inactive on
ESMT # 2- Payroll
Number **does not** change.

PROCESS A 2ND ESMT
with EMPLOYMENT STATUS
of INACTIVE (T), using an
EFFECTIVE DATE of the first day of the
First pay period in which the
Employee is no longer working for the agency.
(Personnel Action is Terminating Agency.)

PROCESS A CURRENT PERIOD TIMESHEET
For PAYMENT due the Employee

PROCESS A PRIOR PERIOD TIMESHEET
to PAY OFF EMPLOYEE'S LEAVE BALANCES

EXPIRE
the EMPLOYEE'S DEDUCTIONS and
BENEFITS except the employee's TAX transaction

TERMINATING EMPLOYEES



Several steps are necessary when processing a terminating employee in the SAM II HR/Payroll System to ensure consistent and accurate reporting. Those steps will vary, depending on whether or not the employee is being rehired by the state and, if so, the date of the rehire. Terminations include resignation, retirement, dismissal, deceased, and other terminations. Agencies are highly encouraged to process terminations as soon as they are aware of them, especially when the employee is being rehired. The following situations determine which process is used to terminate employees:

- to terminate an employee who is leaving state service entirely;
- to terminate an employee who is being rehired in a later pay period;
- to terminate an employee who is being rehired by another state agency within the same pay period; and
- to terminate an employee who is being rehired by another state agency without a break in service.

Let's look at the steps involved in the first two situations.

Terminating an Employee who is Rehired in a Later Pay Period

Step 1 The agency must process an Employment Status Maintenance (ESMT) transaction to place the employee in an Employment Status of Interim Inactive (2). This status continues to associate the employee with their old position for the remainder of the pay period, and ensures that the employee's deductions and benefits will be processed accurately.

Step 2 The agency must process another ESMT to place the employee in an Employment Status of Inactive (T) effective the first day of the first pay period in which the employee is no longer working for the agency. This status ensures that the employee cannot have any pay event codes accepted and that the employee is no longer associated with the position. A specific Personnel Action (Terminating Agency) is to be used on this transaction.

NOTE: The PAYROLL NUMBER field on the Assignment Attributes panel should be left alone at this point. In most cases, the Payroll Number Code will be equal to the Agency Code and should always remain as such (i.e. Payroll number should be the same on the employee's final ESMT as it was the entire time the employee was with your agency). If changes are made, the employee's final pay and/or leave payoffs could be affected.



PROCESS CHART FOR TERMINATING EMPLOYEES WHO ARE LEAVING STATE SERVICE ENTIRELY AND EMPLOYEES WHO ARE BEING REHIRED IN A LATER PAY PERIOD

PROCESS an ESMT
with EMPLOYMENT STATUS
of INTERIM INACTIVE (2), using an
EFFECTIVE DATE of the first day the
Employee is not working for agency.

Note: Employment Status
becomes Inactive on
ESMT # 2- Payroll
Number **does not** change.

PROCESS A 2ND ESMT
with EMPLOYMENT STATUS
of INACTIVE (T), using an
EFFECTIVE DATE of the first day of the
First pay period in which the
Employee is no longer working for the agency.
(Personnel Action is Terminating Agency.)

PROCESS A CURRENT PERIOD TIMESHEET
For PAYMENT due the Employee

PROCESS A PRIOR PERIOD TIMESHEET
to PAY OFF EMPLOYEE'S LEAVE BALANCES

EXPIRE
the EMPLOYEE'S DEDUCTIONS and
BENEFITS except the employee's TAX transaction



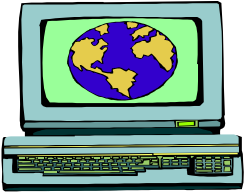
TERMINATING EMPLOYEES (Continued)

Terminating an Employee who is Rehired in a Later Pay Period

- Step 3** The agency must process a current period timesheet to generate any pay due the employee for their work hours. Depending upon the particular document(s) used by the agency, this would be one of the following: a Current Period Timesheet (CPER); Current Period Individual Timesheet (CITS); or Current Period Crew Timesheet (CREW). The purpose of these documents and how they are used are explained in the Time and Leave Course.
- Step 4** The agency must process a Prior Period Timesheet (PPER) to liquidate or pay off the employee's unused leave balance (annual leave and compensatory time), if any. Such payment will be received by the employee in a separate paycheck that is generated after the employee's last regular paycheck. This process is explained in the Time and Leave Course, Leave Liquidation.
- Step 5** The agency should expire any of the terminating employee's deductions (except the employee's TAX transaction) that have been entered on the following transactions: Miscellaneous Deductions (MISC), and the Savings Bond Deductions (SAVB). Employee benefits entered on the Benefits Enrollment (ENRL) transaction should also be expired for the terminating employee. The procedures for expiring deductions and benefits is covered in the Deductions and Benefits Course.

A similar process is necessary to terminate an employee who is leaving an agency/organization and being rehired without a break in service and to terminate an employee who is leaving an agency/organization and being rehired in the same pay period. That process will be described later in this topic.

Let's look at an example of how you would effective date the two ESMT's that need to be processed.



TERMINATING EMPLOYEES

Employee terminates during a pay period

ESMT #1

Effective Date: December 9, 2000
Employment Status: Interim Inactive

ESMT #2

Effective Date: December 16, 2000
Employment Status: Inactive

Note: Employment Status on ESMT #2 becomes Inactive- Payroll Number **does not** change.

Employee terminates the first day of a pay period

ESMT #1

Effective Date: December 16, 2000
Employment Status: Interim Inactive

ESMT #2

Effective Date: December 16, 2000
Employment Status: Inactive



TERMINATING EMPLOYEES

Terminating an Employee who is Rehired in a Later Pay Period

When processing the ESMT transactions for the terminating employee who will be rehired in a later pay period, the effective dates to be used will vary depending on whether the employee terminates on the first day of a pay period (the 1st or 16th) or on any other date during the pay period. The following describes each situation:

Example - Employee terminates state service during a pay period

An employee resigns from an agency effective December 9, 2000. This means that the last day the employee worked was December 8, 2000.

First ESMT:

This transaction would be effective dated December 9, 2000, and contain an Employment Status of Interim Inactive.

Second ESMT:

This transaction would be effective dated December 16, 2000 with an Employment Status of Inactive and a Personnel Action of Terminating Agency.

NOTE: The PAYROLL NUMBER field on the Assignment Attributes panel should be left alone at this point. In most cases, the Payroll Number Code will be equal to the Agency Code and should always remain as such (i.e. Payroll number should be the same on the employee's final ESMT as it was the entire time the employee was with your agency). If changes are made, the employee's final pay and/or leave payoffs could be affected.

Example - Employee terminates state service the first day of a pay period

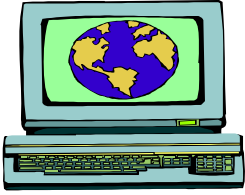
An employee resigns from an agency effective December 16, 2000. This means that the last day the employee worked was December 15, 2000.

First ESMT:

This transaction would be effective dated December 16, 2000, and contain an Employment Status of Interim Inactive.

Second ESMT:

This transaction would be effective dated December 16, 2000 with an Employment Status of Inactive and a Personnel Action of Terminating Agency.



**PROCESS CHART FOR TERMINATING
EMPLOYEES WHO LEAVE STATE
SERVICE AND ARE REHIRED WITHOUT
A BREAK IN SERVICE AND EMPLOYEES
WHO LEAVE STATE SERVICE AND ARE
REHIRED IN THE SAME PAY PERIOD**

PROCESS an ESMT
with EMPLOYMENT STATUS
of INTERIM INACTIVE (2), using an
EFFECTIVE DATE of the first day the
Employee is not working for agency.

PROCESS A CURRENT PERIOD TIMESHEET
For PAYMENT due the Employee

PROCESS A PRIOR PERIOD TIMESHEET
to PAY OFF EMPLOYEE'S LEAVE BALANCES

EXPIRE
the EMPLOYEE'S DEDUCTIONS and
BENEFITS except the employee's TAX transaction



TERMINATING EMPLOYEES

The following termination process is used in these two situations:

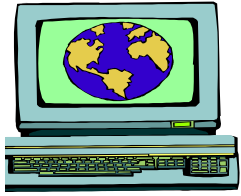
- to terminate an employee who is being rehired by another state agency within the same pay period; and
- to terminate an employee who is being rehired by another state agency without a break in service.

Step 1 The agency must process an Employment Status Maintenance (ESMT) transaction to place the employee in an Employment Status of Interim Inactive (2). This status continues to associate the employee with their old position for the remainder of the pay period, and ensures that the employee's deductions and benefits will be processed accurately.

Step 2 The agency must process a current period timesheet to generate any pay due the employee for their work hours. Depending upon the particular document(s) used by the agency, this would be one of the following: a Current Period Timesheet (CPER); Current Period Individual Timesheet (CITS); or Current Period Crew Timesheet (CREW). The purpose of these documents and how they are used are explained in the Time and Leave Course.

Step 3 The agency must process a Prior Period Timesheet (PPER) document to liquidate or pay off the employee's unused leave balances (annual leave and compensatory time), if any. Such payment will be received by the employee in a separate paycheck that is generated after the employee's last regular paycheck. This process is explained in the Time and Leave Course, Leave Liquidation.

Step 4 The agency should expire any of the terminating employee's deductions (except the employee's TAX transaction) that have been entered on the following transactions: Miscellaneous Deductions (MISC), and the Savings Bond Deductions (SAVB). Employee benefits entered on the Benefits Enrollment (ENRL) transaction should also be expired for the terminating employee. The procedures for expiring deductions and benefits is covered in the Deductions and Benefits Course.



PROCESS CHART FOR TERMINATING EMPLOYEES WHO ARE LEAVING STATE SERVICE ENTIRELY AND EMPLOYEES WHO ARE BEING REHIRED IN A LATER PAY PERIOD

PROCESS an ESMT
with EMPLOYMENT STATUS
of INTERIM INACTIVE (2), using an
EFFECTIVE DATE of the first day the
Employee is not working for agency.

Note: Employment Status
on ESMT #2 becomes
Inactive- Payroll Number
does not change.

PROCESS A 2ND ESMT
with EMPLOYMENT STATUS
of INACTIVE (T), using an
EFFECTIVE DATE of the first day of the
First pay period in which the
Employee is no longer working for the agency.
(Personnel Action is Terminating Agency.)

PROCESS A CURRENT PERIOD TIMESHEET
For PAYMENT due the Employee

PROCESS A PRIOR PERIOD TIMESHEET
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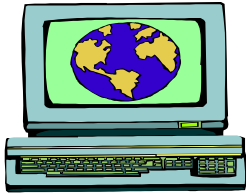


TERMINATING EMPLOYEES SCENARIO: TERMINATING AN EMPLOYEE WHO IS REHIRED IN A LATER PAY PERIOD.

Carla J. Benson is resigning her Registered Nurse III position with the Department of Mental Health effective December 9, 2000. She will be rehired by the Department of Health as a Registered Nurse III effective December 20, 2000.

This termination process will require the completion and approval of two Employment Status Maintenance (ESMT) transactions.

Our scenario describes the situation of an employee resigning and being rehired in a later pay period. Please note that only one ESMT is required and that a different effective date is used if the employee terminates and is rehired without a break in service or is rehired in the same pay period.



TERMINATING EMPLOYEES

ADVANTAGE Desktop - 0A110 - [Employment Status Maintenance]

File Edit Display Process Window Help

Employee ID: 040 - 22 - 0001 Appointment ID: Alternate ID:

Prefix: MS First: CARLA Middle: J. Last: BENSON Suffix:

Effective Date: 12 / 09 / 00 Expiration Date: 99 / 99 / 99 Original Appt Date: 04 / 21 / 00

Job Assignment Dates Assignment Attributes Pay Parameters Certificate/Remark

Personnel Action / Reason: RESAG / R20 Job Status: P Employment Status: 2

Assignment Information:

Agency: 650 Organization: MI00 EEO Full-time: Union Member:

Position Number: EM22001 % Full-time: 0.6000

Table Driven Pay: Step: E

Use Table: Do Not Use Table: Selection Required: EEO Full-time: Union Member:

Union Affiliation:

Application Information:

Applicant ID: Job Notice ID:

1 of 6: APPROVAL 1 APPLIED Messages Tran ID: 001003031376 12:39 PM 10/03/00



TERMINATING EMPLOYEES

Terminating an Employee who is Rehired in a Later Pay Period

Let's begin our process by completing the first Employment Status Maintenance (ESMT) transaction to place the employee in an Employment Status of Interim Inactive.

Let's access the Employment Status Maintenance (ESMT).

Step 1 To open the ESMT from the SAM II HR/Payroll System Desktop Navigator window, click on the Go To icon. Type **ESMT** in the "CODE". Click on the Open button.

Step 2 Populate the following field.

EMPLOYEE ID – Enter the Employee ID number.

Select **Display: Browse Data** to view existing employee information.

Step 3 Enter the following information on the Header portion of the ESMT:

EFFECTIVE DATE –The effective date needs to be the first day the employee no longer works for the agency. Using an effective date of December 9, 2000 means that the last day the employee worked for the agency was December 8, 2000. (The effective date for a deceased employee would be the day after the employee's death.)

JOB ASSIGNMENT

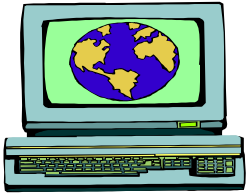
Step 4 Enter the following information on the Job Assignment panel of the ESMT:

PERSONNEL ACTION – Change the Personnel Action to the appropriate personnel action code. Do not use Terminating Agency (TRMAG). (For a deceased employee, the personnel action is **OTERM**.)

PERSONNEL REASON – Choose the appropriate personnel reason for the personnel action taken. (For a deceased employee, the personnel reason is **O10**.)

EMPLOYMENT STATUS – Change the employment status to Interim Inactive. Type **2**. This status continues to associate the employee with their old position for the remainder of the pay period, and ensures that deductions and benefits will be processed accurately.

TERMINATING EMPLOYEES



ADVANTAGE Desktop - OA110 - [Employment Status Maintenance]

File Edit Display Process Window Help

Employee ID: 040 - 22 - 0001 Appointment ID: Alternate ID:

Prefix: MS First: CARLA Middle: J. Last: BENSON Suffix:

Effective Date: 12 / 09 / 00 Expiration Date: 99 / 99 / 99 Original Appt Date: 04 / 21 / 00

Job Assignment Dates Assignment Attributes **Pay Parameters** Certificate/Remark

	Pay Type	A / P Ind	Amount / Percent	Effective Date	Expiration Date
1					
2					
3					
4					

1 of 6: APPROVAL 1 APPLIED Messages Tran ID: 001003031376 12:39 PM 10/03/00

TERMINATING EMPLOYEES (Continued)



PAY PARAMETERS

Step 5 Check the Pay Parameters panel of the ESMT. If pay events have been entered on this panel, change the effective date(s) to equal the effective date of the Interim Inactive status (same effective date used in header). If pay events have not been entered on the Pay Parameters panel, no action is necessary.

Step 6 Complete the approval process as you normally would.

TERMINATING EMPLOYEES



ADVANTAGE Desktop - DA110 - [Employment Status Maintenance]

File Edit Display Process Window Help

Employee ID: 040 - 22 - 0001 Appointment ID: Alternate ID:

Prefix: MS First: CARLA Middle: J. Last: BENSON Suffix:

Effective Date: 12 / 16 / 00 Expiration Date: 99 / 99 / 99 Original Appt Date: 04 / 21 / 00

Job Assignment | Dates | Assignment Attributes | Pay Parameters | Certificate/Remark

Personnel Action / Reason: TRMAG / Job Status: P Employment Status: T

Assignment Information

Agency: 650 Organization: M100 EEO Full-time: ☐ Yes ☒ No ☐ N/A Union Member: ☐ Yes ☒ No ☐ N/A

Position Number: % Full-time: 0.6000

Table Driven Pay: ☒ Use Table ☐ Do Not Use Table ☐ Selection Required Step: E Union Affiliation:

Application Information

Applicant ID: Job Notice ID:

1 of 7: SEE QESD FOR OTHER TXNS Messages Tran ID: 001003031377 12:40 PM 10/03/00



TERMINATING EMPLOYEES

You have completed the ESMT to place the employee in an Interim Inactive status. Now it is necessary to complete the second ESMT to actually terminate the employee from the agency by placing him/her in an Inactive status. This status ensures that the employee cannot have any pay event codes accepted and that the employee is longer associated with the position. **Agencies are encouraged to complete this ESMT immediately after the first ESMT.**

Access the Employment Status Maintenance (ESMT) transaction.

Step 1 To open the ESMT from the SAM II HR/Payroll System Desktop Navigator window, click on the Go To icon. Type ESMT in the “CODE”. Click on the Open button.

Step 2 Populate the following field.

EMPLOYEE ID – Enter Employee’s ID number.

Select **Display: Browse Data** to view existing employee information.

Step 3 Enter the following information on the Header portion of the ESMT:

EFFECTIVE DATE – The effective date is the first day of the first pay period in which the employee is longer working for the agency.

JOB ASSIGNMENT

Step 4 Enter the following information on the Job Assignment panel of the ESMT:

PERSONNEL ACTION – Type **TRMAG**. This is the Terminate Agency Personnel Action code.

PERSONNEL REASON – Leave blank.

EMPLOYMENT STATUS – Change the employment status to Inactive. Type **I**. This status ensures that pay events are no longer accepted for the employee.

NOTE: The PAYROLL NUMBER field on the Assignment Attributes panel should be left alone at this point. In most cases, the Payroll Number Code will be equal to the Agency Code and should always remain as such (i.e. Payroll number should be the same on the employee’s final ESMT as it was the entire time the employee was with your agency). If changes are made, the employee’s final pay and/or leave payoffs could be affected.

TERMINATING EMPLOYEES



ADVANTAGE Desktop - OA110 - [Employment Status Maintenance]

File Edit Display Process Window Help

Employee ID: 040 - 22 - 0001 Appointment ID: Alternate ID:

Prefix: MS First: CARLA Middle: J. Last: BENSON Suffix:

Effective Date: 12 / 16 / 00 Expiration Date: 99 / 99 / 99 Original Appt Date: 04 / 21 / 00

Job Assignment Dates Assignment Attributes Pay Parameters Certificate/Remark

	Pay Type	A / P Ind	Amount / Percent	Effective Date	Expiration Date
1					
2					
3					
4					

1 of 7: SEE QESD FOR OTHER TXNS Messages Tran ID: 001003031377 12:40 PM 10/03/00



TERMINATING EMPLOYEES (Continued)

Step 4 POSITION NUMBER – Delete the position number entry, so that the employee is no longer associated with the position. The position is now vacant, and available to be re-filled.

PAY PARAMETERS

Step 5 Check the Pay Parameters panel of the ESMT. If pay events have been entered on this panel, change the effective date(s) to equal the effective date of the Inactive status (same effective date used in header). If pay events have not been entered on the Pay Parameters panel, no action is necessary.

Step 6 Complete the approval process as you normally would.

NOTE:

At this point, three final steps are necessary in completing the entire termination process:

- processing a current timesheet (CPER, CITS, or CREW) to generate any pay due the employee for their work hours (covered in various topics of the Time and Leave Course);
- liquidating any leave the employee has (covered in Leave Liquidation in the Time and Leave Course);
- expiring the employee's deduction and benefit information (except the employee's TAX transaction) from the system (covered in the Deduction and Benefits Course).

REMEMBER: If you are terminating an employee who is being rehired without a break in service or who is being rehired within the same pay period, you would only process the first ESMT placing them in an Employment Status of Interim Inactive (2).



ACTIVITY

You have been notified of the death of an employee of your agency. The date of death is November 30, 2000. Provide the information in the fields below that you would enter in completing the two Employment Status Maintenance (ESMT) transactions to terminate the employee from the SAM II system.

	<u>First ESMT</u>	<u>Second ESMT</u>
Effective Date	_____	_____
Personnel Action	_____	_____
Personnel Reason	_____	_____
Employment Status	_____	_____
Position Number		_____